

EUROPEAN PARLIAMENT

Working Documents

1980 - 1981

30 October 1981

DOCUMENT 1-656/81

REPORT

Drawn up on behalf of the Committee on Budgets

on Section II - Council -- of the draft general
budget of the European Communities for the
financial year 1982

Rapporteur: Mr V. ANSQUER

On 25 May 1981, the Committee on Budgets appointed Mr ANSQUER rapporteur for section II - Council - of the draft general budget of the European Communities for the financial year 1982

At its meeting of 28 October 1981 the committee adopted the following motion for a resolution by 19 votes with 1 abstention.

Present: Mr Lange, chairman; Mr Notenboom, first vice-chairman; Mr Ansquer, rapporteur; Mr Adonnino, Mr Baillot, Mr Balfe, Mr Balfour, Mr Fich, Mr Helms (deputizing for Mr Lega), Mr Howell, Mr Langes, Mr Newton Dunn, Mr Nord, Mr Price, Mr Saby, Mrs Scrivener and Mr Simonnet.

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A

The Committee on Budgets hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

on Section II 'COUNCIL' of the draft general budget of the European Communities for the financial year 1982.

The European Parliament,

- having regard to the draft general budget for the financial year 1982 drawn up by the Council (Section II 'Council') and the explanatory memorandum (Doc. 550/81),
 - having regard to the report of the Committee on Budgets (Doc. 1-656/81),
1. Approves the Council's estimate which, after that of the Parliament, represents the smallest increase in projected expenditure for the next financial year;
 2. Requests the Council to provide Parliament and the Commission, when the draft general budget for the next financial year is considered, not only with its draft budget, but also with its preliminary draft budget and detailed reasons for the provisions it contains.

B.

EXPLANATORY STATEMENT

Introductory remarks

1. The Council has drawn up an estimate of its own expenditure amounting to 97,574,660 ECU. The increase in expenditure over 1981 (91,841,245 ECU) is 5,733,415 ECU, i.e. 6.24%.

It should therefore be noted that of the Community institutions, the Council is second only to Parliament in limiting to the maximum its estimated increase in expenditure.

ASSESSMENT OF THE COUNCIL'S DRAFT BUDGET

2. The establishment plan of the Council is increased from 1,692 permanent and 8 temporary posts to 1,747 permanent and 8 temporary posts. The number of additional posts in 1982 is therefore 55, broken down as follows:

- 1 additional category A post;
- 48 additional category C posts (11 in C1, 14 in C2, 15 in C3, 7 in C4 and 1 in C5);
- 6 fewer category D posts;
- 12 additional LA posts.

3. In the case of appropriations, the overall increase of 6.24% is spread fairly evenly among all the articles and items in the budget. The one exception is the appropriation for Article 110 relating to officials' salaries, where the estimates total 52,784,500 ECU which, compared to the 47,065,000 ECU in 1981, represents an increase of 12.15%.

It should also be pointed out that several items or articles have been reduced, including those relating to remuneration or overtime allowances by officials, the appropriation to cover adjustments to the remuneration of staff, appropriations for auxiliary and local staff and those for housing allowances.

In the absence of reasons for these provisions or full information on the draft budget, it is difficult to appreciate why, for example, the Council has managed to reduce appropriations for auxiliary and local staff when its requirements and establishment plan for these two categories of employees do not appear to require any change. It is difficult to understand

how it is possible for the Council to reduce its estimates for rent (from 7,411,055 ECU in 1981 to 7,314,340 ECU in 1982), while occupying the same buildings as in 1981. It is equally difficult to grasp the reasons for the Council increasing from 230,000 to 480,000 ECU its estimated expenditure for the fitting-out of premises or the new criteria for assessing estimated expenditure which has prompted the Council to reduce the appropriations under Article 230 for stationery and office supplies from 1,080,000 ECU to 950,000 ECU, firstly in view of the Council's expenditure in 1980 (1,057,921.86 ECU) and, secondly, the substantial increase in the cost of these items. Furthermore, since no explanation is given for the fact that the appropriations for postal charges and telecommunications (Article 231 of the draft budget) are maintained at the same level, this section of the estimates is also rather unsatisfactory. Finally, it is difficult to understand how the Council can halve the appropriations for Article 120 for miscellaneous expenditure on staff recruitment (from 262,000 ECU in 1981 to 131,000 in 1982). This reduction is also inconsistent with the increase, albeit small, in the estimated appropriations for Article 122 (installation, resettlement and transfer allowances) which are increased from 250,000 to 265,000 ECU. If the projection allowing a reduction in miscellaneous expenditure on staff recruitment is down by half as a result of a lower level of staff recruitment during the financial year, this should also have an impact on the appropriations for Article 122.

Finally, it should also be added that the Council's establishment plan increased from 1,593 to 1,692 posts from 1980 to 1981 and, as pointed out above, from 1981 to 1982 it will increase from 1,692 permanent posts and 8 temporary posts to 1,747 permanent and 8 temporary posts.

COMMENTS BY THE COMMITTEE ON BUDGETS

4. The Parliament and the Council have an agreement that in examining the draft general budget of the Communities neither of the two institutions will amend the other's estimates. However, this principle in no way affects the obligation on the two institutions to supply each other with information as the bodies responsible for their respective estimates and in their capacity as the two arms of the budgetary authority. Such an obligation can be met only by presenting the estimates in such a way that the reasons for any changes, or increases of budgetary estimates from one year to the

next are quite clear. It must be pointed out that the Council has not provided the necessary comments with its estimates.

5. The Committee on Budgets finds this attitude all the more indefensible since this year the Council failed to forward its preliminary estimates either to the Committee on Budgets or to Parliament, making its discussions in this area a simple internal Council procedure. It should not be forgotten that firstly, under Article 203 of the treaty, each institution is required to submit estimates of its expenditure to the Commission of the European Communities and that secondly, since the operating expenses of the institutions are classified as non-compulsory expenditure, Parliament has an even greater responsibility in assessing them. Finally, the Committee on Budgets must point out to the Council that the situation it is creating is incompatible with the principle of reciprocity between the two arms of the budgetary authority. Parliament adopts its estimates on the basis of a comprehensive report by its Committee on Budgets which details and analyzes the reasons for changes in estimates from one financial year to another. The Council should do the same. The necessity for this is all the greater since because the two institutions have undertaken, as pointed out above, not to amend their respective estimates, the information they require of each other in their capacity as the budgetary authority will increase accordingly.